

House of Representatives, April 9, 1998. The Committee on Finance, Revenue and Bonding reported through REP. SCHIESSL, 60th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE EXTENSION OF THE TAX INCREMENTAL FINANCING PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (k) of 32-285 of the  
2 general statutes is repealed and the following is  
3 substituted in lieu thereof:

4 (k) [No] (1) SUBJECT TO THE PROVISIONS OF  
5 SUBDIVISION (2) OF THIS SUBSECTION, NO commitments  
6 for new projects shall be approved by the  
7 authority under this section on or after [July 1,  
8 1998] JULY 1, 2000.

9 (2) ON AND AFTER THE EFFECTIVE DATE OF THIS  
10 ACT NO COMMITMENTS FOR NEW PROJECTS SHALL BE  
11 APPROVED BY THE AUTHORITY UNLESS THE REQUIREMENTS  
12 OF SUBSECTION (j) OF THIS SECTION ARE MET.

13 Sec. 2. This act shall take effect from its  
14 passage.

15 CE COMMITTEE VOTE: YEA 27 NAY 0 JF C/R FIN  
16 FIN COMMITTEE VOTE: YEA 42 NAY 0 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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**FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5434**

STATE IMPACT	See Explanation Below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Office of Policy and Management, Connecticut Development Authority

**EXPLANATION OF ESTIMATES:**

STATE IMPACT: The fiscal impact of extending the tax incremental financing (TIF) program cannot be determined because no data is available on whether projects using previously authorized and issued TIF bonds are generating sufficient tax revenue to cover debt service payments.

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**OLR BILL ANALYSIS**

SHB 5434

**AN ACT CONCERNING THE EXTENSION OF THE TAX INCREMENTAL FINANCING PROGRAM**

**SUMMARY:** This bill extends the tax incremental financing (TIF) program for two years, from July 1, 1998 to July 1, 2000. The Connecticut Development Authority (CDA) administers the program, which uses the extra sales tax revenue a project generates to repay the bonds CDA sold to finance it.

The bill prohibits CDA from financing new projects in this manner unless it and the Office of Policy and Management (OPM) comply with certain statutory

reporting requirements. CDA must report to the Commerce and Finance, Revenue and Bonding committees by July 1 each year in which TIF bonds are outstanding. OPM must annually review the projects financed by these bonds and report its findings to these committees by July 1.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Change of Reference  
Yea 27    Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 42    Nay 0